

Message Text

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MR. DUNNIGAN

E.O. 11652: N/A

TAGS: BPRO

SUBJECT: CFF PROGRAM IN ISRAEL

1. ON 8-5-77 EXIMBANK CABLED INFORMATION TO YOU CONCERN-
ING THE ABOVE SUBJECT. PLEASE BE ADVISED OF THE FOLLOWING
CHANGES.

2) BANK U.S. DOLS AMT EXPIRY DATE
AMERICAN ISRAEL BANK DELETE
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BANK LEMELACHA LTD DELETE
IDBI SAME EXTENSION PENDING
MARITIME BANK OF ISRAEL SAME 4-30-79
UNITED MIZRAHI BANK 5.5 MIL CREDIT 3-31-79
5.5 MIL GTEE
OSTAR LA'TAASIYA DELETE
ISRAEL GENERAL BANK SAME 9-30-78

3) AMERICAN ISRAEL BANK (ABI) REQUESTED A SIZABLE IN-

CREASE IN ITS CFF ONE YEAR AGO AND EXIMBANK PERSUADED THE PARENT COMPANY, BANK HAPAOLIM (BH), TO WITHDRAW THE THE AIB REQUEST DUE TO EXIMBANK'S HIGH EXPOSURE WITH BH AT THE TIME. EXIMBANK'S EXPOSURE PROBLEMS WITH BH HAVE BEEN REDUCED AND EXIMBANK IS IN A BETTER POSITION TO CONSIDER A MODEST INCREASE REQUEST (U.S. DOLS 1 MILLION

EACH) CFF CREDIT AND GUARANTEE AND AN EXTENSION REQUEST FROM ABI. THE LATEST AUDITED FINANCIALS AND A WRITTEN INCREASE AND EXTENSION REQUEST SHOULD BE FORWARDED TO EXIMBANK

4. BANK LEMELACHA'S CFF EXPIRED 1-31-78. IF THE BANK WISHES TO EXTEND THE AVAILABILITY DATE ANOTHER YEAR, THE LATEST AUDITED FINANCIAL STATEMENTS AND AN EXTENSION REQUEST SHOULD BE FORWARDED TO EXIMBANK.

5. IDBI CFF EXTENSION REQUEST IS PENDING. EXIMBANK IS WAITING FOR 1977 AUDITED FINANCIAL STATEMENTS AND A FRIENDLY REMINDER MAY SPEED UP IDBI'S REQUEST.

6. OTSAR LA 'TAASIYA'S FUTURE PARTICIPATION IN CFF WILL BE DIRECTED THROUGH THE PARENT BANK, BANK LEUMI LE-ISRAEL.

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7. PLEASE NOTE THAT THE RESTRICTIVE CFF DOLLAR GUIDELINES ESTABLISHED IN JUNE OF 1976 HAVE BEEN LIBERALIZED. THE U.S. DOLS 1 MILLION AGGREGATE PER BUYER CONTRACT FINANCING LIMIT HAS BEEN ELIMINATED. THE U.S. DOLS 500,000 MAXIMUM CONTRACT LIMIT PER TRANSACTION REMAINS BUT EXIMBANK HAS YET TO DENY A CFF EXPORT LOAN REQUEST TO SUPPORT CAPITAL EQUIPMENT WITH A CONTRACT PRICE IN EXCESS OF U.S. DOLS 500,000. WE ENCOURAGE ISRAELI BANKS TO SUBMIT REQUESTS FOR MEDIUM TERM CAPITAL EQUIPMENT FINANCING REGARDLESS OF THE DOLLAR CONTRACT SIZE. CHRISTOPHER

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